

Mayor and Council Communication

DATE: 04/13/21

M&C FILE NUMBER: M&C 21-0274

LOG NAME: 19COLUMBIA RENAISSANCE SQUARE II

SUBJECT

(CD 8) Authorize the Expenditure of \$500,000.00 in HOME Investment Partnerships Program Grant Funds as an Increase to the Existing Subordinate Loan to Columbia Renaissance Square II, L.P. for a Total HOME Loan Amount of \$2,300,000.00, Authorize Amendment to City Secretary Contract No. 52738 and Related Loan Documents, and Authorize Substitution of Funding Years

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the expenditure of \$500,000.00 HOME Investment Partnerships Program Grant funds as an increase to the existing subordinate loan to Columbia Renaissance Square II, L.P., for the Columbia at Renaissance Square Phase II, Multifamily Senior Development located at 2801 Moresby Street;
 2. Authorize the City Manager, or his designee, to substitute current and prior funding years in order to meet commitment, disbursement and expenditures deadlines for grants from the United States Department of Housing and Urban Development;
 3. Authorize the City Manager or his designee to amend the contract and related loan documents as necessary to achieve project goals provided that the amendment is within the scope of the project and in compliance with City policies and applicable laws and regulations governing the use of federal grant funds;
 4. Authorize the City Manager or his designee to extend the contract for two one-year terms if such extensions are necessary for completion of the development; and
 5. Authorize the City Manager, or his designee, to execute an amendment to City Secretary Contract No. 52738 and the related documents with Columbia Renaissance Square II, L.P. to increase the contract amount of \$1,800,000.00 by \$500,000.00 in HOME Investment Partnerships Program grant funds for a total of \$2,300,000.00.
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DISCUSSION:

On May 7, 2019, City Council approved the expenditure of \$1,800,000.00 in HOME Investment Partnerships Program (HOME) grant funds in the form of a subordinate loan with Columbia Renaissance Square II, L.P., for the development of the Columbia at Renaissance Square Phase II – Senior Apartments (Columbia Phase II) (M&C C-29103).

On August 29, 2019, Fort Worth Housing Solutions (FWHS) notified the City that the United States Department of Housing and Urban Development (HUD) restricted FWHS from providing project based vouchers (PBV) and rental assistance demonstration (RAD) commitments to Columbia Phase II. As a result of FWHS not providing the PBV and RAD commitments, Columbia Phase II was left with a shortfall in financing.

Representatives from Columbia Phase II as well as City staff met to address the funding shortfall. It was determined that the City would provide a future commitment of HOME funds that would not be available until the 2020-2021 program year. In order to complete the transaction and close on the land and construction financing, Columbia Renaissance Square II, L.P. was able to obtain a sponsor loan that would be repaid once the HOME funds became available.

On August 4, 2020, City Council approved the allocation of \$500,000.00 in HOME funds through the 2020-2021 Action Plan (M&C 20-0497). The total amount of HOME funds will be \$2,300,000.00. Staff recommends amending City Secretary Contract No. 52738 and related loan documents with Columbia Renaissance Square II, L.P. to increase the HOME funds by \$500,000.00, for a total of \$2,300,000.00 for the development of the Columbia Phase II. Payment of the HOME funds and performance of the HOME requirements to be secured by a deed of trust through the affordability period. These funds will be subject to the same terms as the original loan.

The action plan funding years selected may vary and be substituted based on the principle of first in, first out in order to expend oldest grant funds first. A public comment period on the 2020-2021 Annual Action Plan was held from July 1, 2020 to July 31, 2020. Any comments received are maintained by the Neighborhood Services Department in accordance with federal regulations.

This project is located in COUNCIL DISTRICT 8.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current budget, as previously appropriated, in the Grants Operating Federal Fund to support the approval of the above recommendation(s) and contract amendment/extension. Prior to any expenditure being incurred, Neighborhood Services has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: Fernando Costa 6122

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